

Competition concerns remain over JD Sports merger

Following the CMA's final decision to block the merger between JD Sports and Footasylum in May 2020, JD Sports appealed to the Competition Appeal Tribunal (Tribunal), which remitted the case back to the CMA for reconsideration. Having gathered extensive additional evidence on the impact of coronavirus (COVID-19) and other developments in the sports fashion sector, the Competition and Markets Authority (CMA) has reached the provisional view that the merger could result in a worse deal for Footasylum shoppers throughout the UK. This means customers could find themselves facing higher prices, fewer discounts and less choice of products in store. It could also result in the merged company investing less in improvements to customer service.

At this stage, the CMA's view is that blocking the deal, by requiring JD Sports to sell Footasylum, may be the only way of addressing these competition concerns.

Kip Meek, chair of the group conducting this inquiry, said:

Since our original inquiry, we have gathered a significant amount of additional evidence, including on the impact of coronavirus, and we still have concerns about JD Sports' takeover of Footasylum. This deal would see Footasylum bought by its closest competitor and, as a result, shoppers could face higher prices, less choice and a worse shopping experience overall.

While many stores were closed during lockdown, online sales in this market have been stronger than ever, and revenue from in-store sales is rebounding as people return to the high street.

JD Sports, Footasylum and others in the sector now have the opportunity to give us their views – on both our provisional decision and our suggested remedy.

Impact of coronavirus

As part of its judgment, the Tribunal endorsed the CMA's analytical framework for assessing the effects of the merger on consumers, but found the CMA did not go far enough in its information gathering regarding the impact of coronavirus.

Over the past 5 months, the CMA has amassed significant amounts of additional data and evidence on developments in the market since May 2020. This includes how closely JD Sports and Footasylum compete; their financial performance; and the competition posed by other retailers, including brands selling directly to customers. The CMA has considered whether any changes due to the

pandemic would be enduring and, as such, likely to affect competition in the foreseeable future.

During the height of the pandemic, online shopping increased due to temporary store closures. Reflecting this, while both companies saw their in-store revenues decrease, this was offset by a significant increase in online sales and the CMA's analysis shows that both companies would continue to be profitable should the merger not go ahead. For example, [JD Sports reported an increase in revenue over the past financial year](#).

The CMA's evidence also showed that shopping behaviour has since continued to adapt as stores have reopened throughout the UK, with a large number of people saying they will mix and match their shopping behaviour, buying partly online and partly instore. Consistent with this, in-store revenues have recovered, reaching a similar level to that pre-pandemic. Other evidence, including data gathered from the Office for National Statistics and Mintel, supports these findings.

Close competitors

In May 2021, when shops throughout England were reopening with social distancing measures, the CMA conducted an online survey of JD Sports and Footasylum customers. This provided valuable insight into people's shopping habits during the pandemic and whether these had changed.

The survey results showed that many Footasylum shoppers see JD Sports as their best alternative – for example, 50% of those surveyed said they would go to JD Sports if they were unable to shop at Footasylum for clothing. This was around 4 times higher than the next alternative, Nike.

As well as its survey, the CMA carefully analysed thousands of additional internal and decision-making documents, and engaged at length with others in the industry – including key retailers and suppliers – to gain further insight regarding the merger and the state of the sports fashion market.

All the evidence has shown a consistent picture: JD Sports was – and continues to be – a particularly close competitor to Footasylum.

Current and future market developments

The CMA considered the ways that key suppliers of sports fashion products are changing their business models, for example by doing more direct sales to customers and potentially reducing reliance on retailers like JD Sports and Footasylum. While Nike is already a strong competitor to JD Sports, and the CMA expects both Nike and Adidas to grow their retail business, these developments are still not enough to replace the very significant degree of competition between JD Sports and Footasylum.

The CMA is asking for views on its provisional report by 16 September and possible remedies by 9 September and will assess all evidence provided before making a final decision.

For more information, visit the [JD Sports / Footasylum merger inquiry web page](#).

Notes to editors

1. Overall, ONS and Mintel evidence – including [ONS: Coronavirus and the social impacts on Great Britain – Office for National Statistics](#), Mintel report: Footwear retailing UK – April 2021, and Mintel report: COVID-19 – Retail and E-commerce: A Year On – UK – April 2021 – shows that there was a large shift to online purchasing during the pandemic, and that some of this increase in online shopping will persist. However, it also suggests a significant proportion of customers will go back to shopping instore, as concerns around the pandemic decrease.

[UK supports Pacific Island progress on Extended Continental Shelf](#)

The UK Government has signed an agreement with the Pacific Community (SPC) for SBD\$2.9 million (£263,000) that will help Fiji, Vanuatu, Solomon Islands, and Tonga to secure the rights and responsibilities over their respective ocean spaces.

The ocean sustains a multitude of activities that fuel local, national and international economies, providing livelihoods and food security for 10 million Pacific Islanders across the region.

Pacific Island Countries (PICs) are the custodians of 20% of global maritime zones. To optimise the management, use and conservation of this vast ocean space, PICs require certainty over their maritime zones as defined by the United Nations Convention on the Law of the Sea (UNCLOS). This includes the extended continental shelf (ECS) areas beyond their 200 nautical mile exclusive economic zones (EEZs).

Clarifying sovereign rights over these ECS areas is crucial for the stability and development of PICs. Until these gaps in the world map are closed, PICs may not be in a position to fully protect their interests and achieve their blue economy aspirations.

The UK Government, through its Conflict, Stability and Security Fund (CSSF) will provide timely assistance in partnership with the Pacific Community (SPC) to build the capacity of PICs in all aspects of progressing their ECS submissions.

Currently, there are 10 PICs with 17 ECS submissions at various stages awaiting examination by the Commission on the Limits of the Continental Shelf (CLCS). Among these states, the Solomon Islands, Vanuatu, Tonga, and Fiji

have two joint and three individual submissions awaiting examination – North Fiji Basin, Charlotte Banks, South Fiji Basin, Eastern Kermadec Ridge, and Western Lau-Colville Ridge.

British High Commissioner to Solomon Islands, Dr Brian Jones said:

We are glad to support this project which aims to help Pacific Island Countries ensure that their maritime zones are well defined. That will provide a basis for management and protection of these areas and enable sustainable use of marine resources to generate income and create employment, and ultimately contribute to the reduction of poverty.

PICs have worked individually and collaboratively to develop submissions and preliminary information to define the outermost limits of their continental shelves. They have been supported by the SPC and a consortium of partners in the technical process and with the additional assistance from UK Government, work on ECS submissions can be further developed that will enable PICs to exercise their sovereign rights to explore, manage, or conserve seabed resources on the continental shelf extending beyond the EEZ.

Dr. Paula Vivili, Deputy Director-General Science and Capability said:

On behalf of the Pacific Maritime Boundaries consortium of partners, SPC welcomes this contribution from the UK Government to continue the vital work of supporting our member states to prepare and defend their ECS submissions. This will help countries achieve sustainable development goal Target 14.C– to enhance the conservation and sustainable use of the oceans and their resources by implementing UNCLOS– and it comes at a critical time in the development of regional ocean governance, at the beginning of the UN Decade of Ocean Science for Sustainable Development.

The ECS project will contribute to the broader Pacific Maritime Boundaries programme of work coordinated by SPC and supported by a consortium of partners, including the Pacific Islands Forum Secretariat, the Office of the Pacific Ocean Commissioner, the Pacific Islands Forum Fisheries Agency (FFA), the Australian Department of Foreign Affairs and Trade (DFAT), Geoscience Australia, Attorney General’s Department- Australia, University of Sydney, New Zealand Ministry of Foreign Affairs and Trade (MFAT), GRID-Arendal, as well as the European Union and Sweden through the Pacific European Union Marine Programme (PEUMP).

About CSSF

The British Government’s Conflict, Stability and Security Fund (CSSF) supports work around the world to address the sources of instability, address transnational threats and promote peace and security.

This year, 2021-22, the CSSF will provide £2m (SBD\$22.3m) for the Pacific region, to work with Pacific Island Countries and regional partners in support of an open, inclusive, resilient, prosperous and rules-based Pacific.

About SPC

The Pacific Community has been supporting sustainable development in the Pacific, through science, knowledge and innovation since 1947. It is the principal intergovernmental organisation in the region, owned and governed by its 26 member countries and territories. [Secretariat of the Pacific Community](#)

Foreign Secretary travels to Qatar for talks on security and safe passage for Afghans

The Foreign Secretary will meet the Amir of Qatar and the Qatari Foreign Minister in Doha today to discuss the situation in Afghanistan, with the prospects of getting Kabul airport up and running and safe passage for foreign nationals and Afghans across land borders top of the agenda.

The decision to visit Doha first on a trip to the region reflects the high profile role the Qataris have played with regard to Afghanistan in recent years, including hosting the Taliban political office in Doha since 2013. The Foreign Secretary will seek Qatari views on the feasibility of a functioning airport in Kabul, either for charter or commercial flights, which would provide a vital route for remaining UK nationals and Afghans most at risk to leave the country.

The UK is keen to work with Qatar and other international partners to help deliver our priorities – ensuring that the Taliban government will bear down on the threat from ISKP and Al-Qaeda and honouring their commitment in the Doha agreement to prevent Afghanistan soil being used to threaten the security of other countries; facilitating humanitarian access; and protecting human rights, especially those of women and girls.

The British Embassy to Afghanistan, which has been temporarily relocated to Qatar until it can be re-established in Afghanistan, is now up and running in Doha. The Foreign Secretary will meet Dr Martin Longden, who arrived in Doha on Wednesday and is temporarily in charge while the Ambassador, Laurie Bristow, takes a short time off following an intensive and sustained period of work on the UK evacuation effort. Dr Longden's immediate priorities are to meet international partners in Qatar and build up the Embassy team.

Dr Longden is working alongside the Prime Minister's Special Envoy for Afghan Transition, Sir Simon Gass, who has been based in the region for the last

couple of weeks. Sir Simon will debrief the Foreign Secretary on the talks he has held in recent days with senior Taliban political representatives. He will also update him on a meeting of G7 Special Representatives convened by Sir Simon in Doha on Tuesday and on his meeting with the Chinese Special Representative on Wednesday.

In talks with the Taliban, Sir Simon has emphasised the importance of them allowing safe passage for those seeking to leave Afghanistan; of standing by their commitments to address the threat from terrorism; and of the importance of an inclusive government that respects human rights, particularly those of women and girls.

Tutoring revolution builds as students return to class

Schools will have greater flexibility to offer high-quality, 15-hour tutoring courses that meet the needs of their pupils, in a major expansion of the National Tutoring Programme backed by £1 billion.

One course of high-quality tutoring has been proven to boost attainment by three to five months, so tutoring will be vital for young people in recovering the teaching hours lost in the last year.

The programme is expected to reach up to six million pupils across the country in total over the next three years to make sure students that need it receive quality catch up support.

As of today:

- Schools can sign up with this year's external tuition providers, covering the whole country and expected to reach over 500,000 students this year
- New guidance has been published to support schools to offer their own teacher-led tuition, expected to reach over one million students this academic year
- Academic mentors are being placed in selected schools across the country to work in small groups with over 250,000 students most in need of support this year

As the new school year starts, 52 new free schools are opening for the first time to support continued growth in student numbers across the country.

Schools and colleges are ready to welcome students back with the right balance of measures in place to minimise Covid related disruption, including enhanced ventilation, regular Covid testing and vaccinations of older students and staff.

Education Secretary Gavin Williamson said:

It's fantastic to see pupils returning to schools and colleges at the start of term once again. This year we have a greater sense of normality thanks to the roll out of the vaccination programme. That extra protection helps us find that sensible balance between protecting staff and students and ensuring education is not disrupted.

Keeping children in the classroom helps them catch up. It has given pupils real, hands-on help to support them following the disruption caused by the pandemic and we want to build on that success. So I'm delighted to be further expanding the National Tutoring Programme.

We are boosting the tutoring that is available to pupils so that millions more can benefit from the support they provide and we see a real tutoring revolution take place in our schools.

Teachers are also returning to the classroom with additional support for training, especially in the early years of their careers to help improve outcomes for young people. The new Early Career Framework (ECF) launches this term, providing teachers with even greater high-quality training opportunities over the first two years after they qualify.

The new ECF is just one of the teacher training programmes being funded with £400 million for teachers at every stage of their career, making sure all children have access to the best possible teaching.

The government is also investing £102 million in 21/22 through the 16-19 Tuition Fund to support hundreds of thousands of young people to catch up in English, maths and other vocational and academic subjects. This is in addition to the £96 million made available in 20/21 to deliver vital support for those 16-19-year-olds who needed it the most.

The three National Tutoring Programme routes have been developed to complement one another, allowing students to potentially access up to all three areas of support at the same time.

[Evidence](#) suggests that pupils who receive one-to-one or small group tuition can make between three to five months' additional progress. This is likely linked to pupils receiving more feedback, being more engaged and completing work tailored to their specific needs. Tutoring is an effective intervention to support attainment, which is crucial in addressing the impact of COVID-19 on educational outcomes of their pupils, and in particular, those who are most disadvantaged.

Students will be able to get going with tuition from the start of term, building on the 300,000 students reached by the NTP in year one, as the government has prioritised a return to the full education experience, minimising disruption from measures that were in place last year like bubbles.

Dr Susan Hopkins, COVID-19 Strategic Response Director at PHE said:

Being in face-to-face education is the best place for children and young people, bringing with it many benefits to physical and mental health and we know that many will be looking forward to getting back to school.

Parents, young people and teachers can feel reassured that the risk from COVID-19 for the majority of children remains low and that schools are not hubs of infection.

It does remain vital however that we take precautions to ensure that children can return to school safely, with fewer interruptions, including regular testing and enhanced hygiene measures.

Rapid testing is critical to help uncover hidden cases of the virus at the start of term, especially after the summer holidays.

It's really important that children return to school to take their first tests on-site and that they then continue to test twice a week from home. This is an easy but important way to help stop the spread of the virus.

Karen Guthrie, NTP Programme Director at Randstad, said:

Following on from the successful launch of the programme in 2020, we're pleased to be expanding the reach for the coming academic year.

The NTP will benefit pupils in areas with the highest levels of disadvantage by giving them access to subsidised support. The programme is easily accessible via an online portal and we've made the process easier to access and register, taking the admin burden away from schools.

We're looking forward to working alongside our partners to make positive changes to the education and wellbeing of those who missed out on valuable learning time due to no fault of their own.

Adam Dean, Head of School at Chatten Free School, one of the new schools opening for the first time this term that specialises in working with children severely affected by autism, said:

With the lessening of restrictions regarding Covid we are now able to provide the full education experience for our pupils. Of course we will continue to take precautions such as regular tests for staff and monitoring for outbreaks, allowing us to provide an

effective education for pupils with significant needs.

We want to work on teaching our pupils skills that will help them access the world in a real and meaningful way. For many of them this means something as simple and significant as giving them a way to make requests for the things they want in life and things that give them joy.

It is a huge relief to me that Covid measures are now at a point where we are able to provide this full experience to our pupils.

Proportionate safety measures remain in place, with secondary schools and colleges in the process of offering two on-site tests, three to five days apart, to students as they return.

All students are strongly encouraged to take up the offer of testing, continue testing twice weekly at home afterwards, and report their results.

Students that are eligible for the vaccine, including 16 and 17-year-olds and 12–15-year-olds with specific underlying conditions, are strongly encouraged to get vaccinated.

Guidance: Protected food and drink names: applications

See the list of applications to protect the geographical name of a food, drink or agricultural product in Great Britain.